	Air Quality Division POLICY AND PROCEDURE		DEPARTMENT OF ENVIRONMENTAL QUALITY
Original Effective Date: August 15, 1995 Revised Date: July 1, 2003 Reformatted Date: January 29, 2014	Subject: Mechanisms for Limiting the Applicability of Michigan's Renewable Operating Permit Program		Category: <input type="checkbox"/> Internal/Administrative <input checked="" type="checkbox"/> External/Non-Interpretive <input type="checkbox"/> External/Interpretive
	Program Name: Renewable Operating Permit (ROP) Program		
	Number: AQD-004	Page: 1 of 11	

A Department of Environmental Quality (DEQ) Policy and Procedure cannot establish regulatory requirements for parties outside of the DEQ. This document provides direction to DEQ staff regarding the implementation of rules and laws administered by the DEQ. It is merely explanatory; does not affect the rights of, or procedures and practices available to the public; and does not have the force and effect of law.

INTRODUCTION:

Title V of the federal Clean Air Act requires the development of a renewable operating permit (ROP) program for all major sources and certain non-major sources. The U.S. Environmental Protection Agency (EPA) has granted approval of Michigan's ROP program. Michigan's program implementation is decentralized with the Air Quality Division (AQD) District Offices as the primary contacts. (The district office locations and contact information are available through the DEQ Internet webpage <http://www.michigan.gov/deq> under "Air", "Spotlight".)

In the ROP program, the definition of a "major source" is based on a stationary source's "potential to emit" (PTE) of an air contaminant. Without enforceable restrictions to the contrary, a source's PTE is based on operation at maximum design capacity on a continuous schedule throughout the year. All major sources (see Appendix A) must submit an ROP application within 12 months of becoming subject to the ROP program.

A facility can become exempt from the definition of major source of "criteria pollutants" by obtaining limits on the source's PTE through a legally enforceable mechanism. An owner/operator of a major source of criteria pollutants wishing to avoid the requirement to obtain an ROP must obtain these legally enforceable limits.

Facilities that are major sources of Hazardous Air Pollutants (HAPs) are also subject to the ROP program. To avoid the ROP requirement, a limit must be obtained on the source's PTE for all HAPs before the first compliance date specified within an EPA standard promulgated pursuant to Section 112 of the federal Clean Air Act.

This policy delineates the legally enforceable mechanisms available for sources to avoid being subject to Michigan's ROP program.

STAKEHOLDER INVOLVEMENT:

DEQ AQD's Operational Memorandum No. 4 was initially developed after extensive input from industry, EPA, and citizens through a workgroup process. It was approved by the 1995 Clean Air Advisory Board that included leaders representing all affected parties. Subsequent necessary minor revisions were made widely available for review and comment.

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 2 of 11

POLICY:

For smaller sources of air pollution that have a high PTE, but that consistently maintain actual emissions significantly below Major Source Thresholds, relatively few benefits would be gained by making them subject to major source requirements under Title V of the Clean Air Act.

There are three options available that allow smaller sources to avoid Michigan's ROP requirements.

Option A: General Permits to Install (PTI).

A General PTI can be used to provide a source with emission and operational limits for criteria pollutants that allow the source to "opt-out" of the ROP program. Rule 201a specifically allows for the development and use of General PTIs to establish legally enforceable limits to restrict the PTE to below the major source thresholds listed in Appendix A. General PTIs have been developed when a source type or category will have variables and parameters that are typical/characteristic of its processes and would distinguish it from other sources.

Once a General PTI category has been established, an owner or operator responsible for a facility with operations that meet the applicability criteria can review the general permit requirements and determine if their facility operates within the terms of the permit. If the owner/operator determines that the source can comply with the conditions of the PTI, they may apply to the AQD for issuance of the general permit to the source. If AQD approves the application, the terms and conditions of the general permit would apply to the source and would be enforceable by the EPA and/or the AQD.

General PTI program description, submittal requirements, and source categories are available through the DEQ Internet at <http://www.deq.state.mi.us/aps/generalpermits.shtml>.

Option B: Case-By-Case Synthetic Minor "Opt-Out" PTI

The owner/operator of the source may choose to work with AQD staff to develop a permit that is specifically designed for their source. This PTI can be used to establish legal operational and/or production limits that restrict the source's PTE to a level below all Major Source Thresholds and, as a result, enable the source to opt-out from the ROP requirements.

DEQ AQD's "Guidance for a Title V Opt-Out Permit" is available through the DEQ Internet or upon request from the AQD. The document specifies the procedure for a source to obtain emission and operational limits enforceable by the AQD and/or the EPA to avoid the requirements of the ROP program.

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 3 of 11

Option C: Registration pursuant to R 336.1208a (Rule 208a) for consideration as a non-major source based on actual emissions less than 50% of major source thresholds.

Rule 208a, which became effective on December 13, 1996, allows a source to accept the 50% Thresholds listed in Appendix A as legally enforceable limits by submitting a complete registration form and support tables (see Appendix B) to the AQD. To continue opting out of the ROP program under Rule 208a, a source must register annually.

Appendix B includes a registration form where a responsible official certifies that: 1) the source's emissions are below all threshold levels; 2) these levels are accepted as legally enforceable limits; 3) the source has been, and will continue to be, operated in compliance with these limits; and 4) the recordkeeping and reporting requirements of Rule 208a are met. The two support tables in Appendix B are also required to be submitted as part of the initial registration, one that lists the individual processes at the source and the associated air emissions and one that provides a summary of all air emissions for the entire facility. Sources wishing to use the provisions of Rule 208a must submit the required registration information to the appropriate AQD district office. Rule 208a was promulgated with the understanding that a comparable level of monitoring, recordkeeping and reporting would be required in both Opt-Out PTIs and Rule 208a.

A source that has registered pursuant to Rule 208a to limit their PTE becomes subject to applicable ROP program requirements for a major source pursuant to Rule 210 if the actual emissions exceed any of the 50% Thresholds in Appendix A. If a violation of Rule 208a occurs, the legally enforceable restriction on PTE gained through registration is lost. As a result, the source may be subject to the ROP program requirements. Within 30 days of a violation, Rule 208a requires the owner/operator to notify the AQD that appropriate action will be taken. This can include submittal of an application for an ROP, submittal of a PTI application, or a demonstration to the satisfaction of AQD that the PTE of the source does not exceed any Major Source Threshold. An ROP application must be submitted or a PTI must be obtained within 12 months of the exceedance. However, the source may be immediately subject to applicable federal requirements, including standards promulgated under Section 112 of the Clean Air Act.

Further information is available through the DEQ Internet at
http://www.deq.state.mi.us/aps/downloads/rop/OptOut_208a/208a.shtml

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 4 of 11

PROCEDURES:

Option A - Opt-out General PTI

Step	Who	Does What
1	Owner/Operator	If the facility operates within the terms of the permit categories and the criteria that must be met to qualify for a General PTI and the source can comply with the conditions of the PTI, apply to the AQD for issuance of the general PTI to the source.
2	AQD Staff	Evaluate and determine if the application can be approved. If so, AQD issues the General PTI.
3	Owner/ Operator	Keep and maintain records for each process sufficient to demonstrate that the source is complying with all of the requirements of the General PTI. These records shall be kept on file for the most recent 5-year period and made available to the AQD upon request.

Option B - Opt-out Synthetic Minor PTI

Step	Who	Does What
1	Owner/Operator	Calculate the source's PTE and determine applicability of the ROP program.
2	Owner/Operator	Submit a complete application for a PTI to limit the source's PTE. As described in the "Guidance for a Title V Opt-Out Permit", the application must include a cover letter, PTE calculations, proposed plan for actions and dates to limit the source's PTE, revised calculations showing the intended effect of the proposed plans on the source's PTE, and proposed enforceable limits which the applicant believes are sufficient to comply with the requirements of Rule 205.
3	AQD Staff	Evaluate and determine if the application can be approved. If so, AQD issues the opt-out PTI.
4	Owner/Operator	Keep and maintain records for each process sufficient to demonstrate that the source is complying with all of the requirements of the Opt-Out PTI. These records shall be kept on file for the most recent 5-year period and made available to the AQD upon request.

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 5 of 11

Option C - Rule 208a

Step	Who	Does What
1	Owner/Operator	Calculate actual emission levels for each pollutant for the 12-month period immediately preceding the source's registration pursuant to Rule 208a. This calculation shall include all processes at the source, excluding insignificant activities as listed in Michigan Rule 212(1). In performing these calculations, the owner or operator of a stationary source may take into account the operation of air pollution control equipment on the capacity of the source to emit an air contaminant if the equipment is included in the registration pursuant to Rule 208a.
2	Owner/Operator	Evaluate these actual emission levels against each of the 50% Thresholds listed in Appendix A. If the source does not exceed any of the 50% Thresholds listed in Appendix A, it may be registered pursuant to Rule 208a and therefore not required to submit an application or to obtain an ROP under Michigan's Rule 210. Appendix B includes the registration and certification forms.
3	Owner/ Operator	Submit a complete initial registration form including the information and certification required by subrule (3) of Rule 208a. This includes a brief description of all process and control equipment and associated emission information, as well as a signed statement by a responsible official certifying the compliance status and acceptance of the threshold levels as legally enforceable limits. The owner/operator also accepts that the proper use and maintenance of the registered control equipment is a legally enforceable requirement.
4	AQD Staff	Within 30 days of receipt of an initial registration, the AQD district office shall notify the owner/operator of the source if the registration received by the AQD is complete.
5	Owner/Operator	Keep and maintain records for each process sufficient to demonstrate that, after considering the effectiveness of registered control equipment, the actual emissions for the entire source are maintained below all 50% Thresholds listed in Appendix A. These records shall include, at a minimum, all of those required by subrule (5) of Rule 208a. These records shall be kept on file for the most recent 5-year period and made available to the AQD upon request.

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 6 of 11

6	Owner/Operator	Renew the certification annually by submittal of a registration to the AQD in conjunction with the annual report of emissions required by Section 5503(k) of the Act and Rule 2. The registration form shall include a statement certifying compliance during each of the 12-month rolling average periods that ended during that calendar year.
7	Owner/Operator	Report to AQD the actual emission levels (as calculated in Step No. 1) for all relevant emission points at the facility through the annual emission reporting required under Section 5503(k) of the Act and Rule 2 using the Michigan Air Emissions Reporting System (MAERS).
8	AQD Staff	Review reported emission data and verify that the source continues to meet the criteria of Rule 208a.
9	AQD Staff	Maintain, and make available to the public upon request, a list of sources registered pursuant to Rule 208a.

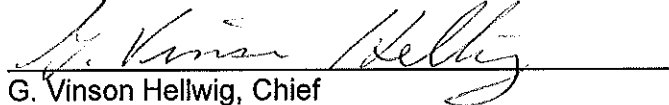
For more information or assistance, contact the DEQ Environmental Assistance Program at 800-662-9278.

APPENDICES:

Appendix A – Major Source and Rule 208a Thresholds

Appendix B – Rule 208a Initial and Renewal Registration Forms and Emission Summary Tables

DIVISION CHIEF APPROVAL:



G. Vinson Hellwig, Chief
Air Quality Division

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 7 of 11

Appendix A

MAJOR SOURCE & RULE 208a THRESHOLDS¹

<u>Criteria Air Pollutant²</u>	<u>Major Source Threshold¹</u>	<u>Rule 208a Threshold (50% Threshold)¹</u>
Sulfur Dioxide (SO ₂)	100 tons per year	50 tons per year
Nitrogen Oxides (NO _x)	100 tons per year	50 tons per year
Particulates (PM-2.5) ³	100 tons per year	50 tons per year
Particulates (PM-10) ³	100 tons per year	50 tons per year
Volatile Organic Compounds (VOCs) ³	100 tons per year	50 tons per year
Carbon Monoxide (CO)	100 tons per year	50 tons per year
Lead/Lead Compounds ⁴	(See footnote 4)	(See footnote 4)
Class I & II CFCs ²	100 tons per year	50 tons per year
NSPS Pollutants ^{2,3}	100 tons per year	50 tons per year
<u>Hazardous Air Pollutants</u>		
HAPs (any single) ^{2,3}	10 tons per year	5 tons per year
HAPs (all combined) ^{2,3}	25 tons per year	12.5 tons per year

¹ Major Source Thresholds are based on a source's "potential to emit." The potential to emit is determined by calculating what the source's emissions could be if all processes and process equipment was operated at full capacity at all times. The Rule 208a 50% Thresholds are based on actual emissions from the source, i.e., the emissions that are actually emitted from the source during its real operation must be at 50% or less of all Major Source Threshold levels. For the requirements of Rule 208a, the actual emissions calculations are totaled for all processes and process equipment at the source based on a monthly rolling average beginning with the 12-month interval preceding the source's registration.

² The document entitled "Potential to Emit Workbook - A Practical Guide to Calculating and Evaluating Your Potential to Emit Air Contaminants" contains a complete listing of Chloroflourocarbons (CFCs), New Source Performance Standards (NSPS) pollutants and Hazardous Air Pollutants (HAPs).

³ If a pollutant is both an NSPS pollutant and a HAP (such as dioxins and furans), the HAP thresholds apply. If a pollutant is a particulate or a VOC and is also a HAP, both the particulate or VOC and the HAP thresholds apply.

⁴ Lead emissions will generally be assumed to be "lead compounds" unless demonstrated otherwise.

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 8 of 11



Michigan Department of Environmental Quality
Air Quality Division

RULE 208a INITIAL REGISTRATION FORM

LIMITING POTENTIAL TO EMIT BASED ON ACTUAL EMISSIONS

Completion of this registration is required in order to legally limit a stationary source's potential emissions pursuant to Michigan Air Pollution Control R 335.1208a (Rule 208a). Certification on this form by the owner or operator will allow the source to avoid being subject to Michigan's Renewable Operating Permit program requirements. Failure to comply with any of the applicable provisions of this rule shall constitute a violation of this rule.

FOR AQD USE ONLY

REGISTRATION NUMBER: _____

Please print clearly.

REGISTRATION IDENTIFICATION:

AQD Source ID (SRN): _____

NAICS Code: _____

Source Name: _____

City: _____ State: MI ZIP: _____ County No.: _____

REGISTRATION INFORMATION:

Documentation demonstrating compliance with Rule 208a(2)(a)(i) must be included.

Indicate type of attachment: _____ Tables Only _____ Tables w/Attachment(s)

Specify 12 month reporting period: _____/_____/_____ through _____/_____/_____ (month/year)

OWNER/OPERATOR REGISTRATION CERTIFICATION:

Name: _____
(Last, First)

Title: _____

Phone: _____ Ext.: _____ Email Address: _____

Contact for Technical Information, if other than Owner/Operator:

Name: _____
(Last, First)

Title: _____

Phone: _____ Ext.: _____ Email Address: _____

CERTIFICATION: I hereby certify to all of the following for the preceding 12 month period identified above:

- I) Based on information and belief formed after reasonable inquiry, the information on the registration form is true, accurate, and complete.
- II) The emission threshold levels specified in subrule (1) of Rule 208(a) are accepted as legally enforceable limits, the stationary source has been operated in compliance with the limits for the previous 12-month period and will continue to be operated in compliance in the future, and the recordkeeping and reporting requirements of subrules (5) and (6) of this rule are and will continue to be met.
- III) The air pollution control equipment is and shall continue to be maintained and operated in a manner consistent with good air pollution control practice for minimizing emissions, in accordance with subrule (2).

Signature of Owner or Operator

Date

Submit completed registration form and attachments to the address of the appropriate district office.

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 9 of 11



Michigan Department of Environmental Quality
Air Quality Division

RULE 208a TABLE OF ACTUAL EMISSIONS SUMMARY

Photocopies of the BLANK Table should be made prior to use.

[illegible]

* VOCs must include HAPs as part of criteria pollutant.

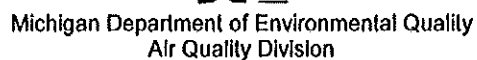
Required recordkeeping pursuant to Rule 208a(5) cannot be met by use of this summary form.

Include all emissions except insignificant emissions as defined in Rule 212(2).

EQP 5725-2 (9/96)

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 10 of 11



EACH HAZARDOUS AIR POLLUTANT (HAP)	EACH HAP TOTAL (TPY)	CRITERIA POLLUTANTS	CRITERIA POLLUTANT TOTALS (TPY)
		Lead	
		SO ₂	
		NO _x	
		CO	
		PM-10	
		VOC	
TOTAL OF ALL HAPs*			

EQP 5725-3 (9/96)

AIR QUALITY DIVISION
POLICY AND PROCEDURE

Number: AQD-004

Subject: Mechanisms for Limiting the Applicability
of Michigan's Renewable Operating Permit Program

Page 11 of 11



Michigan Department of Environmental Quality
Air Quality Division

RULE 208a ANNUAL RENEWAL REGISTRATION FORM

LIMITING POTENTIAL TO EMIT BASED ON ACTUAL EMISSIONS

Completion of this registration is required in order to legally limit a stationary source's potential emissions pursuant to Michigan Air Pollution Control R 336.1208a (Rule 208a). Certification on this form by the owner or operator will allow the source to avoid being subject to Michigan's Renewable Operating Permit program requirements. Failure to comply with any of the applicable provisions of this rule shall constitute a violation of this rule.

FOR AQD USE ONLY

INITIAL REGISTRATION NUMBER: _____

RENEWAL REGISTRATION NUMBER: _____

Please print clearly.

REGISTRATION IDENTIFICATION:

AQD Source ID (SRN): _____ NAICS Code: _____

Source Name: _____

City: _____ State: MI ZIP: _____ County No.: _____

RENEWAL INFORMATION:

Specify 12 month reporting period: _____ / _____ through _____ / _____ (month/year)

OWNER/OPERATOR REGISTRATION CERTIFICATION:

Name: _____
(Last, First)

Title: _____

Phone: _____ Ext.: _____ Email Address: _____

Contact for Technical Information, if other than Owner/Operator:

Name: _____
(Last, First)

Title: _____

Phone: _____ Ext.: _____ Email Address: _____

CERTIFICATION: I hereby certify to all of the following for the preceding 12 month period indicated above:

- I) Based on information and belief formed after reasonable inquiry, the information on the registration form is true, accurate, and complete.
- II) The emission threshold levels specified in subrule (1) of Rule 208(a) are accepted as legally enforceable limits, the stationary source has been operated in compliance with the limits for the previous 12-month period and will continue to be operated in compliance in the future, and the recordkeeping and reporting requirements of subrules (5) and (6) of this rule are and will continue to be met.
- III) The air pollution control equipment is and shall continue to be maintained and operated in a manner consistent with good air pollution control practice for minimizing emissions, in accordance with subrule (2).

Signature of Owner or Operator

Date

Submit completed registration form and attachments to the address of the appropriate district office.

EQP 5735 (10/97)